

Jimmy W. Boyd
Director, Environmental
& Governmental Affairs- Americas

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January 25, 2019

Via Overnight Mail

Phillip Brooks
Director, Air Enforcement Division
U.S. Environmental Protection Agency
MC 2242A
1200 Pennsylvania Ave. NW
Washington, DC 20460

Cheryl Seager
Director
Compliance Assurance and Enforcement Division
U.S. Environmental Protection Agency, Region 6
1445 Ross Ave.
Dallas, TX 75202-2733

Attn: Compliance Tracker, AE-18J
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, IL 60604-3590

Thomas A. Mariani
Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
601 D Street NW, Room 2121
Washington, DC 20579
Re: DOJ No. 90-5-2-1-10189

Brandon B. Williams, LA BAR Roll # 27139
Attorney
Office of the Secretary, Legal Division
Louisiana Department of Environmental Quality
P.O. Box 4302
Baton Rouge, LA 70821-4302

Celena Cage
Enforcement Administrator
Office of Environmental Compliance
Louisiana Department of Environmental Quality
P.O. Box 4312
Baton Rouge, LA 70821-4312

RE: United States v. Orion Engineered Carbons, LLC, Consent Decree (Case No. 6:17-cv-01660) – Semi-Annual Report No. 2 – Period July 1, 2018 through December 31, 2018 for the Ivanhoe (Franklin) Facility

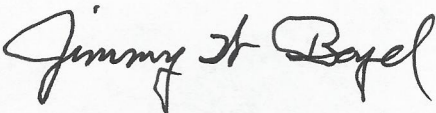
Dear Madam/Sir:

Orion Engineered Carbons, LLC (Orion) hereby timely submits Semi-Annual Report No.2 for its Ivanhoe (Franklin), Louisiana facility under Paragraph 55 of the Consent Decree (CD) in the above-captioned case to the persons listed above in accordance with Paragraph 105 of the CD. We restate each element of Paragraph 55 of the CD and then submit our responses. In a separate communication, we timely submit a separate report covering Orion's Borger, Texas; Orange, Texas; and Belpre, Ohio facilities. The information required to be in this report is provided as an Attachment to this letter. In accordance with Paragraph 60 of the CD, I state as follows:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Should you have any questions, please contact Jimmy Boyd at 713-294-9092.

Sincerely,



Jimmy W. Boyd
Director, Environmental & Governmental Affairs
Orion Engineered Carbons LLC, Americas Region

Attachment

cc: David Friedland, Beveridge & Diamond P.C.
Katherine Abend, USDOJ
Kellie Ortega, USEPA

Attachment A – Ivanhoe Louisiana Facility

Paragraph 55a. A description of the progress of the construction of the Control Technologies, CEMS, and PM Early Warning Systems required by the CD, including: (i) if construction is not underway, any available information concerning the construction schedule and the execution of major contracts; (ii) if construction is underway, the estimated percent of installation as of the end of the reporting period, the current estimated construction completion date, and a brief description of completion of significant milestones during the reporting period; (iii) any information indicating that installation and commencement of operation may be delayed, including the nature and cause of the delay, and any steps taken by Orion to mitigate such delay; and (iv) once construction is complete, the dates the equipment was placed in service and/or commenced Continuous Operation and the dates of any testing that was performed during the period.

The basic engineering has been completed for the Ivanhoe project. A contract has been awarded for the detailed engineering. Site preparation and piling work are presently scheduled to begin during the second quarter of this year. Purchase orders for long delivery equipment items will be issued in January, 2019. Requests for proposals have been issued for several equipment items and systems. Mechanical construction is anticipated to begin during the early part of the fourth quarter of this year with a currently targeted mechanical completion date in the 4th quarter of 2020. There are no known indications of delays which would prevent Orion meeting the April 1, 2021 CD compliance date for key pollution control equipment, e.g., equipment listed under Paragraphs 16, 26, and 33.

We have completed design and ordered the particulate monitors for the PM early warning system required under Paragraph 37 of the CD. Capital Appropriation Requests (CARs) have been approved to purchase and install the system. Construction of the system is currently scheduled to be completed by early April, 2019. There are no known indications of delays which would prevent Orion from meeting the June 7, 2019 compliance date for Paragraph 37 of the CD.

Paragraph 55b. All information necessary to demonstrate compliance with all applicable Emissions Limits, Caps, all aspects of Paragraph 30 (Additional Operational Restrictions at Borger), 365-day Rolling Average Sulfur Content Weight Percent, and other provisions in Sections VI (SO₂ Control Technology, Emissions Limits, and Monitoring Requirements), VII (NO_x Control Technology, Emissions Limits, and Monitoring Requirements), VIII (PM Control Technology, Emissions Limits, Best Management Practices, and Early Warning System Requirements), Section IX (Limitation on Use of Flares), and Section X (Additional Requirements for Orange Incinerator)

1. Paragraph 16: 7-Day Rolling Average SO₂ Emissions Limit and 365-Day Rolling Average SO₂ Emissions Limit

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with these emissions limits.

2. Paragraph 17: WGS, DGS, or Alternative Equivalent Pollution Control Technology design specifications

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to provide the design specifications.

3. Paragraph 19: SO₂ Monitoring Requirements

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with these monitoring requirements.

4. Paragraph 20.c: SO₂ Annual Cap

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with this limitation.

5. Paragraph 21: Sulfur Content Weight Percent

Pursuant to the terms of the CD, Orion sulfur content weight percent restrictions do not apply at Orion's Ivanhoe (Franklin) facility.

6. Paragraph 23: NO_x Emissions During Heat Load Operation, Startup, and Shutdown

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with this emissions limit.

7. Paragraph 26: 7-Day Rolling Average NO_x Emissions Limit and 365-Day Rolling Average NO_x Emissions Limit

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with these emissions limits.

8. Paragraph 27: SCR Design Specifications

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to provide the design specifications.

9. Paragraph 28: NO_x Monitoring Requirements

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with these monitoring requirements.

10. Paragraph 29.c: NO_x Annual Cap

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with this emissions limit.

11. Paragraph 30: Additional operational restrictions at Borger

Pursuant to the terms of the CD, these operational restrictions do not apply at Orion's Ivanhoe (Franklin) facility.

12. Paragraph 33: 3-Hour Average Emissions Limit for PM

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to comply with this emissions limit.

13. Paragraph 34: PM Stack Testing

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to conduct a PM stack test.

14. Paragraph 35 and Appendix B: Other PM Control Requirements

Orion timely complied with its obligations under Paragraph 35 and Appendix B of the CD. Beginning August 6, 2018 (i.e. 60 days after the June 7, 2018 effective date of the CD):

- Orion employed the required PM Reduction Mechanism and Method for Managing PM Emissions specified in Paragraph 35 and Appendix B of the CD.
- Orion completed the required daily visual assessments and maintained a record of each such assessment.
- No visible emissions were observed during any of the required daily visual assessments. Accordingly, Orion was not required during this reporting period to perform any six-minute Method 9 observations.

15. Paragraph 36: PM Best Management Practices Control Plan

Orion timely implemented the Particulate Emissions Best Management Practices Control Plan set forth in Appendix C to the CD to the extent required during the reporting period, i.e., Orion timely complied with its obligations under Paragraphs 1-3,5,and 7-8 of Appendix C as of August 6, 2018 – 60 days after the June 7, 2018 Effective Date of the CD. Paragraphs 4 and 6 of Appendix C were not in effect during the relevant reporting period.

16. Paragraph 37 and Appendix D: PM Early Warning System

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to operate a PM Early Warning System.

17. Paragraph 38: Limitation on Use of Flares

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to limit flaring under Paragraph 38.

Paragraph 55c. All data collected for each Orange Process System, from the time any 30-day Rolling Average Sulfur Content Weight Percent and/or 365-day Rolling Average Sulfur Content Weight Percent is exceeded until compliance is achieved, and an explanation of any periods of downtime of any relevant equipment that prohibited the collection of such data.

This requirement is not applicable to Orion's Ivanhoe (Franklin) facility.

Paragraph 55d. All CEMS data collected for each Process System, from the time any Emissions Limit in Sections VI (SO₂ Control Technology, Emissions Limits, and Monitoring Requirements) or Caps is exceeded until compliance is achieved, and an explanation of any periods of downtime of such CEMS

Pursuant to the terms of the CD, Orion was not required to collect CEMS data during the relevant reporting period.

Paragraph 55e. A copy of the protocol for any PM stack tests performed in accordance with the requirements of Paragraph 34

Pursuant to the terms of the CD, Orion was not required under Paragraph 34 to conduct a stack test during the reporting period

Paragraph 55f. All PM Early Warning Systems data collected, from the time a PM Early Warning System alarm is triggered until the PM Early Warning System data have returned to below the action levels triggering an alarm condition, and an explanation of any periods of PM Early Warning System downtime

Pursuant to the terms of the CD, Orion was not required during the relevant reporting period to operate a PM Early Warning System

Paragraph 55g. A description of any potential violation of the requirements of the CD, including any exceedance resulting from Malfunctions, any exceedance of an Emissions Limit, any exceedance of Caps, any exceedance of a 30-day Rolling Average Sulfur Content Weight Percent or 365-day Rolling Average Sulfur Content Weight Percent or 365-day Rolling Average Sulfur Content Weight Percent, or any failure to install, commence operation, or Continuously Operate any Control Technology or any PM Early Warning System, which includes: (i) the date and duration of, and the quantity of any emissions related to, the potential violation; (ii) a full explanation of the primary cause and any other significant contributing cause(s) of the potential violation; (iii) an analysis of all reasonable interim and long-term remedial steps or corrective actions, including all design, operation, and maintenance changes consistent with good engineering practices, if any, that could be taken to reduce or eliminate the probability of recurrence of such potential violation, and, if not already completed, a schedule for its (their) implementation or, if Orion concludes that remedial steps or corrective actions should not be conducted, the basis for that conclusion.

Orion is not aware of any potential violations of the requirements of the CD during this reporting period.

Paragraph 55h. If no violations occurred during the reporting period, a statement that no violations occurred.

Orion is not aware of any violations of the requirements of the CD during this reporting period.

Paragraph 55i. A description of the status of any permit applications and any proposed SIP revisions required under the CD.

Orion initiated preparation of a permit application to authorize construction and operation of the required control equipment and a cogeneration unit. The application is estimated to be completed and submitted in late February 2019.

Paragraph 55j. A summary of all actions undertaken and Project Dollars expended during the reporting period, as well as any cumulative Project Dollars expended, and the estimated environmental benefits achieved to date in satisfaction of the requirements of Section V (Environmental Mitigation) and Appendix A.

Orion did not take any actions or expend any Project Dollars under Section V and Appendix A of the CD.